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BREAK:

A History of Ideas: Tyco International Ltd.

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Tyco International was built on ideas.

Tyco International Ltd. is a diversified global manufacturer and supplier of industrial products and systems with leadership positions in each of its four business segments: Electrical and Electronic Components, Healthcare and Specialty Products, Fire and Security Services, and Flow Control. Through its corporate strategies of high-value production, decentralized operations, growth through synergistic and strategic acquisitions, and expansion through product/market globalization, Tyco has evolved from a privately-held research laboratory, into a multinational industrial corporation listed on the New York Stock Exchange (NYSE-TYC, LSE-TYI, BSX-TYC) with sales of over \$25 billion.

The Company was founded in 1960 when Arthur J. Rosenburg, Ph.D., opened a research laboratory to do experimental work for the government. He incorporated the business as Tyco Laboratories in 1962, and changed its focus to high-tech materials science and energy conversion products for the commercial sector. In September 1964, the Company went public, and in 1965 it began to acquire other companies to fill gaps in its development and distribution network. As a result, Tyco's thrust changed to manufacturing industrial products.

Today, Tyco is a model of sophisticated and innovative manufacturing and service. Each of our core businesses holds the leading share in its specific market, from medical wound care dressings to undersea fiber optic telecommunications cable. Our operations span over 80 countries and over 650 profit centers, employing 182,000 people.

1960

Tyco, Inc. is formed as an investment and holding company in Waltham, Massachusetts. The two primary holdings are Tyco Semiconductor and the Materials Research Laboratory, which studies materials and devices with applications in the flelds of solid state sciences and energy conversion.

1962

The Materials Research Laboratory and Tyco Semiconductor are merged. The business is supported by U.S. government research contracts. But soon, management recognizes the commercial applications of its work and Tyco begins to search for acquisitions to develop product, manufacturing and marketing capabilities.

1964

Tyco becomes a publicly owned company.

1965

Mule Battery Products is Tyco's first acquisition. Tyco Inc. changes its name to Tyco Laboratories.

1968

By this time, Tyco has acquired sixteen companies, including North American Printed Circuits, one of six companies that would later form Tyco's Printed Circuit Group.



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1973-1982: Growth through Acquisitions

In 1973, consolidated sales and stockholder equity reached \$34 million and \$15 million, respectively. The next year, Tyco's stock was listed on the New York Stock Exchange. By 1982, Tyco had become a much bigger and more diverse corporation with sales topping \$500 million and a net worth of nearly \$140 million. Much of this growth was achieved through larger and more ambitious acquisitions including:

• 1974: Simplex Technologies, manufacturers of undersea fiber optic telecommunications cable

Control Center

- 1976: **Grinneli Fire Protection Systems**, manufacturers of and contractors for fire sprinkler systems
- 1979: Armin Plastics, manufacturers of polyethylene film products
- 1981: Ludlow Corporation, manufacturers of packaging products.

1982-1986: Developing Market Leadership

It has always been Tyco's policy to acquire profitable companies and to operate them at continually increasing profitability for the benefit of its shareholders. For that reason, after Tyco's 1973-1982 period of rapid growth, management focused on strengthening the company from within. To do so, Tyco organized its subsidiaries into three business segments (Fire Protection, Electronics and Packaging), and created an operating plan that focused on strengthening market leadership and being the high-quality, low-cost producer within its markets. The plan's objectives were:

- To achieve significant market share in each of its principal product lines;
- Establishment of each product line as the leader and high-value producer in its field;
- To maintain, throughout all Tyco business segments and product lines, a reputation for product quality, reliability, and customer service.

Tyco accomplished this by:

- Decentralizing company operations into a more cost-effective, independent profit center operating system;
- Selling unprofitable units and existing business, and divesting itself of companies not fully owned by Tyco:
- Reducing administrative overhead by consolidating under Tyco Corporate appropriate business functions like: taxes, legal, financial reporting, insurance and human resources;
- Reducing subsidiary operating costs by providing them with opportunities to take advantage of Tyco's global corporate economies of scale through such activities like inter-company purchasing of raw materials.

1986 to Present: Synergistic-Strategic, Highly-Disciplined Acquisitions/Strong Organic Growth

In 1986, Tyco returned its focus to sharply accelerating growth. During this period, it

In 1986, Tyco returned its focus to sharply accelerating growth. During this period, it reorganized its subsidiaries into what became the basis for the current business segments: Electrical and Electronic Components, Healthcare and Specialty Products, Fire and Security Services, and Flow Control. The Company's name was changed from Tyco Laboratories, Inc. to Tyco International Ltd. in 1993, to reflect Tyco's global presence. Furthermore, it became, and remains, Tyco's policy to add high-quality, cost-competitive, lower-tech industrial/commercial products to its product lines whenever possible.

The Company also adopted synergistic and strategic acquisition guidelines which established three base-line standards for potential acquisitions:

- An acquisition candidate must be in a business related to one of Tyco's four business segments;
- It must be able to expand the product line and/or improve product distribution for at least one of Tyco's business segments;
- It must have excellent long-term growth prospects
- It must be using a manufacturing and/or processing technology already familiar to one of Tyco's business segments if it plans to introduce a new product or product line.

Using the synergistic/strategic guidelines and stringent financial requirements to guide acquisitions, Tyco succeeded in significantly improving the Company's positions in each of its four business segments. Major acquisitions included:

1986

• **Grinnell Corporation**, manufacturers and distributors of industrial/construction products

1988

• Allied Tube and Conduit, manufacturers of steel pipe and related tubular products.

1989

• Mueller Company, manufacturers of water and gas flow control products.

1991

• Wormald International Limited, manufacturers, contractors and suppliers of fire protection systems and products.

1992

• Neotecha, manufacturers of Teflon-lined butterfly/ball valves and sampling devices.

1993

• Hindle/Winn, manufacturers of high performance butterfly/ball valves.

1994

- Classic Medical, Uni-Patch and Promeon, three companies involved in providing
- a disposable medical product or supplementary products.
- Preferred Pipe, manufacturers of forged steel products.
- **Kendall International Co.**, among the world's largest manufacturers and distributors of disposable medical supplies, wound care dressings, bandaging, elastic support and other vascular therapy compression products.

1995

- Tectron Tube, manufacturers of pipe and tubular products.
- Unistrut, manufacturers of metal framing products and services.
- Earth Technology Corporation, an engineering consulting firm specializing in the design, construction, and operation of water and wastewater treatment facilities.

1996

- **Professional Medical Products, Inc.**, makers of adult incontinence products and other disposable medical products.
- Thorn Security, manufacturer, installer and servicer of fire and security systems worldwide.
- Carlisle, a leading manufacturer of specialty packaging materials and garment hangers.
- Watts Waterworks Businesses, manufacturers of valves, hydrants, and fittings used primarily in water utility, wastewater treatment and power generation markets.
- **Sempell**, a manufacturing and servicer of specialty valves used in industrial and power generation applications.
- ElectroStar, a leading manufacturer of complex printed circuit boards.

1997

- American Pipe & Tube, a manufacturer of steel pipe, tubing for the fire protection, fence markets and steel studs/tresses for the residential and commercial construction markets.
- Submarine Systems Inc., the leader in the design, development, manufacture, installation, supply and maintenance of undersea fiber optic telecommunications cable systems.
- ADT, a leading installer and servicer of electronic security systems.
- **Keystone**, a leading designer and manufacturer of industrial valves, actuators and accessories.
- INBRAND, a manufacturer and distributor of adult incontinence products. 1998
- Sherwood Davis & Geck, a manufacturer and distributor of disposable medical products.
- United States Surgical, maker of suture and auto suture medical devices.
- Wells Fargo Alarm, Entergy, Alarmguard, and Holmes Protection Group, providers of electronic security services, including intrusion, fire detection and monitoring, and CCTV and access control.

1999

- AMP, a leading manufacturer of electrical, electronic, fiber-optic and wireless interconnection devices and systems.
- Raychem, a leading international designer, manufacturer and distributor of high-

- Raychem, a leading international designer, manufacturer and distributor of highperformance electronic products for OEM businesses and a broad range of specialized applications.
- Glynwed, producer of steel tubing, steel electrical conduit and other similar products.
- Temasa, provider of submarine cable maintenance and installation services.
- Central Sprinkler designs, manufactures, and distributes a complete line of fire sprinklers, valves and accessories, PVC pipe and fittings, steel pipe, and iron grooved products.
- Divestiture of Mueller/Grinnell Supply Sales, consistent with Tyco's focus on businesses with strong recurring revenue streams and low cyclicality. In addition, during the period from 1986 to the present, a number of smaller acquisitions were made to strengthen specific product lines or enhance the Company's competitive position in the various segments.

2000

- General Surgical Innovations, a medical manufacturer and distributor of SPACEMAKER® balloon dissection-devices used in minimally invasive surgical procedures.
- Siemens Electromechanical Components, a leading European producer of relays and connectors for the automotive market.
- AFC Cable, a leader in the design, manufacturer and supply of prewired armor cable, flexible conduit, modular wiring systems and electrical fittings.
- Praegitzer, a highly-regarded maker of printed circuit boards, specializing in quick-turn applications.

In addition, during the period from 1986 to the present, a number of smaller acquisitions were made to strengthen specific product lines or enhance the Company's competitive position in the various segments.

As a result of these acquisitions, as well as strong growth of existing operations, Tyco today has a leading market share position in each of its business segments. It remains committed to being the low-cost, high value producer in each of its manufacturing divisions, as well as a world-class service provider to customers around the world. Fiscal 1999 was an excellent year, and the Company expects Fiscal 2000 to be even better. Tyco will continue its long-established corporate action plan of rapid development through internal growth, complemented by acquisitions, aiming, as always, to increase profitability and shareholder value.

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Tyco International Ltd. is a global manufacturer, installer and distributor of products and systems for a broad spectrum of markets, including disposable medical products, packaging, fire and life safety, industrial process control and telecommunications. Tyco companies hold leadership positions in each of Tyco's four core market segments. Follow the links below for more detailed information about the products and services Tyco companies create:



Healthcare and Specialty Products

Operating Units:

- **♦**Accurate Forming
- **◆**ADT Automotive
- **♦**A&E Products
- Armin Plastics
- Carlisle Plastics, Inc.
- ◆Graphic Controls (Industrial)
- ◆Kendali Healthcare Products
- ◆Kendali International
- Kendall-LTP

- Ludlow Coated Products
- Ludlow Technical Products
- Precision Interconnect
- ◆Sherwood-Dayls & Geck
- ◆Tyco Adhesives
- (formerly Kenda<u>ll-Polyken</u>)
- Uni-Patch
- U.S. Surgical

Fire and Security Services

Operating Units:

- •ADT (US)
- ◆ADT (UK)
- ◆ADT (Malaysia)
- ADT (Singapore)
- Ansul
- Atlas Fire Engineering
- Automatic Sprinkler
- ●Bon + Naga
- **CAPS** Korea
- **e**CIPE
- Dong Bang Electronic Industrial
- ♦Fire Control
- Fire Defender

Grinnell Fire Protection Systems

- Thorn Security (Nederland)
- Thorn Security (Singapore)
- Thorn Security International
- Marine and Offshore
- Total Walther
- ◆Tyco Australia
- Tyco Building Products
- ●Tyco Electronic Product Group
- Tyco Engineering and
- Construction (HK)

 ◆Tyco Engineering and
- Construction (India)

 ◆Tyco Engineering and

Construction (Malaysia)
Tyco International (Thailand)

0975-0045

- ◆Grinnell Fire Protection Systems ◆Tyco International (Thailand)
- ◆Haden FM
- ◆Interco Alarms
- Lintott Process System
- Mather & Platt
- Modern
- National Fire & Security
- O'Donnell Griffin
- Olsen Engineering
- OPPI
- PT ODG/Wormald (Indonesia)
- Quintrix Communications
- SEPCI
- Sonitrol
- Thorn Security (Hong Kong)

- Tyco New Zealand
- Tyco Pieco (Philippines)
- ◆Tyco Services (Australia)
- ◆Tyco Services (New Zealand)
- ◆Tyco Services (Singapore)
- Vigilant
- ♦Wormald Ansul (UK)
- Wormald Fire Systems (BE)
- Wormald Fire Systems (NL)
- Wormald Fire Systems (NO)
- Wormald Fire Systems (DK)
- ■Wormald Fire Systems

(Singapore)

♦ Wormald Engineering (Taiwan)

Flow Control

Operating

Units:

- ACROBA
- AFC Cable Systems
- ◆AG Marvac
- Abahsain Cope
- Advanced Extrusion
- Allied Support
- Allied Tube and Conduit
- American Tube & Pipe
- *Anderson Greenwood
- Ansell Jones
- ◆Australasian Cable Support⁻
- Bayard
- ◆Belgicast
- Bellucci
- *Biffi
- Cantech Controls
- Central Sprinkler
- Century Valve
- ◆The Clarkson Company
- Columbia-MBF
- Combined Instruments
- Crosby
- Czechtech
- Debro Engineering & Presswork
- Descote
- Dewrance
- Ductile Steel Processors
- Ductile Stourbridge Cold Mills
- Earth Tech
- Eastern Instruments
- Edward Barber
- Elliots Irrigation
- Erichs Armatur
- Express Irrigation
- Fasani
- Firth Cleveland Steel Strip

- ●L & M Valve
- LaPolitermica
- Lawrence Irrigation
- Lindapter International
- Martin Irrigation
- Maund Richards
- Measuretech
- Michael Industries
- Monmore Tubes
- Morin Actuators
- Multiservice Engenharia
- Narvik
- Neotecha
- Newman Tipper Tubes
- Obevalves
- ◆P & R Holdings ____
- Paul Fabrications
- Prefabspecialisten
- Progressive Specialty Products
- Promet Valve Company
- Raimondi
- Raphael
- Raychem HTS
- Red Cliffs Irrigation
- Richards
- Royalve
- Rust Environmental
- Sapag
- Sempell
- Sheldon Valve
- Southern Cross
- Star Sprinkler
- Steelway-Fensecure
- T.J. Cope
- ◆Tak Cheong Engineering
- Technaflow

Technaflow Flo-Check Valve Frefer Gachot Gem Sprinkler General Process Controls Gimpel Corporation Technaflow Tectron Tube Total Automation Limited Tower Manufacturing Tubemakers Water Tubemakers Water		
● Goliath Engineering	Tyco Flow Control	
◆Grinnell Corporation	●Tyco Flow Control	
◆Grinnell Sales & Distribution	◆Tyco Flow Control Australia	
● Hancock	◆Tyco Valves & Controls	
♦Hindle Valves	◆UNISTRUT	
♦HUB Tubes	◆VPF Supply	
● Hard Facing Alloys	♦Valcast	
♦Hovap	Valquip	
●Industra —	♦ Valser	
●Intecva	♦Valve-Flo	
● Intervaive	◆Valvtec	
● Iprosa	♦ Valvtron	
●Irish Building Services	●Vanessa	
●JB&S Lees	◆Varec Vapor	
♦K.S. Kaalund	♦Vonk Chokes	
♦ Keystone	Watergear Distributors	
◆Klein ◆Whessoe Varec		
Knifegate ♦Winn Valves		
	● Yarway	

Telecommunications and Electronics

Operating Units:	Tyco Telecommunications	Tyco Electronics
J	◆Tyco Printed Circuit Group, Inc. (CA) ◆Tyco Printed Circuit Group, Inc. (UT)	• All Brands AMP:
	●TyCom	• Elcon
		• Elo Touchsystems
·		●Madison Cable
		● NetConnect
		• Raychem
		The Rochester CorporationTyco Printed Circuit Group,
		Inc.

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/Corporate Background /

Tyco (NYSE: TYC) is one of the world's largest pure-play fire safety and security companies. We help to protect more than three million industrial, commercial and residential customers worldwide. Our 69,000 employees include a diverse group of scientists and engineers, sales professionals, technicians and business leaders.

In more than 1,000 locations in nearly 50 countries – including research and development labs, manufacturing facilities, service and distribution centers, monitoring centers and sales offices – Tyco employees work together to deliver tailored, industry-specific and location-specific fire protection and security solutions to customers around the world.

Tyco's United States headquarters are in Princeton, New Jersey. The company's corporate headquarters are in Schaffhausen, Switzerland.

Tyco grew to become one of the world's largest dedicated fire protection and security companies from humble beginnings.

The 1930s

Tyco, Inc. was founded in 1960 by Arthur J. Rosenburg, Ph.D., as a research laboratory to conduct experimental work for the U.S. government. The business focused on solid-state science and energy conversion. By 1962, Tyco began to transition from U.S. government research contracts to commercial applications.

In 1964, Tyco went public, and one year later made its first acquisition, Mule Battery Products. The company also changed its name to Tyco Laboratories.

The 1970s

The second decade of Tyco's existence saw the company grow substantially via acquisitions. Two of the company's key purchases were Simplex Technologies, manufacturers of undersea fiber optic telecommunications cable; and Grinnell Fire Protection Systems, a fire sprinkler systems manufacturer and contractor. Tyco still owns these brands today.

In 1974, Tyco's stock was listed on the New York Stock Exchange. Over the next three decades, Tyco became a much larger and more diverse company.

The 1930s

Tyco continued its aggressive but deliberate acquisition strategy, procuring leading brands such as Allied Tube and Conduit and Grinnell Corporation. By the end of the decade, Tyco had reorganized its many subsidiaries into four segments: Electrical and Electronic Components; Healthcare and Specialty Products; Fire and Security Services; and Flow Control. This structure would remain in place until 2007.



The 1990s

This decade also saw a number of strategic acquisitions driving Tyco's rapid growth. Some of Tyco's key transactions involved Raychem, Submarine Systems, Inc., Thorn Security, Wells Fargo Alarm and Wormald International Limited.

In 1993, Tyco Laboratories, Inc. formally changed its name to Tyco International Ltd. In 1996, Tyco was added to the Standard & Poor's 500, the list of the 500 largest companies in the United States by market capitalization.

In 1997, Tyco merged with ADT, a leading provider of electronic security systems. Tyco formed a new subsidiary called ADT Security Systems.

The 2000s

Tyco continued to make strategic acquisitions, acquiring some of the leading companies in its industry. In 2001, Tyco acquired Sensormatic, one of the world's leading retail security firms. This move enabled Tyco to offer a complete security package to retailers around the globe. Tyco also acquired Scott Technologies, a leading designer and manufacturer of high-performance respiratory protection systems, gas detection instruments and fire-fighting products for fire-fighting, industrial, aviation and government customers. With the acquisition of Simplex Time Recorder, Tyco became one of the largest fire alarm companies in the world.

In 2006, Tyco's Board of Directors approved a plan to separate the company's portfolio of businesses into three separate, publicly traded companies: Tyco Healthcare (now known as Covidien), Tyco Electronics (now known as TE Connectivity), and Tyco International.

In 2009, Tyco's Board of Directors unanimously approved moving the company's place of incorporation from Bermuda to Switzerland. One year later, the company acquired Brink's Home Security Holdings, now operating as Broadview Security. Tyco also sold a majority interest in its electrical and metal products business to the private equity firm of Clayton, Dubilier & Rice.

The 2010s

Tyco continued to align its portfolio with the most attractive growth markets in the company's various sectors. In 2011, Tyco acquired such key businesses as Chemguard and Visonic.

Later in 2011, Tyco International announced a plan to separate the enterprise into three independent, publicly-traded companies: Tyco, the largest of these businesses and the global fire protection and security leader; a standalone ADT North America residential and small business security company; and a standalone flow control company.

On October 1, 2012, the newTyco became one of the world's largest dedicated fire protection and security companies. The newTyco consists of:

- // Installation and Services, a leading global provider of system design, installations, and services, focused on new system installation as well as high margin service.
- // Fire Protection Products, a global product business that designs, manufactures and sells fire protection products, including fire detection and suppression products.
- // Security Products, a unified group of the most comprehensive world-leading premium access control, video, location-based tracking and intrusion solutions in the security industry.
- // Life Safety Products, operating under the Scott Safety brand, a world leader in the design, manufacture, and sale of high performance respiratory protection, gas detection, and other Personal Protection Equipment (PPE) solutions.

tyco

Today, Tyco has more than three million customers around the world, ranging in size from large Fortune 500 companies to single-location commercial customers and residential customers outside North America. Tyco generates approximately 55 percent of its revenue in markets outside of North America. The company's presence in key growth markets is accelerating rapidly, with a global installation and service footprint unmatched by its competitors. Through direct sales, wholesalers, distributors, commercial builders and contractors, Tyco helps protect*:



of the world's top 50 oil & gas companies



of the world's top 200 retailers



of the commercial vessels at sea

2 Million commercial enterprises worldwide

A majority of the **Fortune 500**

More Than

3 Million
commercial, government
and residential customers



More than 300 international airports



More than 200 hospitals around the world



More than 100 major stadiums around the world

^{*}Numbers based on internal company estimates